



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **DEPARTMENT OF PARKS AND RECREATION
REVENUE AGREEMENT AUDITS**

The Department of Parks and Recreation (DPR) requested financial/compliance audits of 18 golf course and recreation area revenue agreements. In September 2003, we contracted with Simpson and Simpson, CPAs, to perform the audits to determine whether the contractors properly reported their gross receipts and paid the correct rent to the County.

Simpson and Simpson completed the audits in September 2004. The audits disclosed that 15 of the contractors owed additional rent to the County totaling \$66,274. Simpson and Simpson met with DPR and each contractor to discuss the results of the audits. Of the \$66,274 due from the 15 contractors, DPR collected \$56,427, waived \$3,019, and has initiated collection efforts for the remaining \$6,828. DPR waived the \$3,019 because the rental category reviewed was determined to not be part of gross receipts. The contract was amended to resolve this discrepancy. The remaining three contractors properly reported their gross receipts and paid all rent due.

Attached is a summary of the audits completed and the amounts owed to the County. If you would like to review any of the individual reports, please call Ian Clark at (626) 293-1104.

JTM:MMO:IDC

Attachment

c: David E. Janssen, Chief Administrative Office
Russ Guiney, Director, Parks and Recreation
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

"To Enrich Lives Through Effective and Caring Service"

**DEPARTMENT OF PARKS AND RECREATION
FINANCIAL/COMPLIANCE AUDITS OF REVENUE AGREEMENTS
FISCAL YEAR 2002-03**

Facility	Agreement Type	Due to County
Whittier Narrows Golf Course	Lease	\$6,491
Alondra Golf Course	Lease	\$337
Altadena Golf Course	Lease	0
Eaton Canyon Golf Course	Lease	0
Los Verdes Golf Course	Lease	\$2,887
Bonelli Community Spa	Lease	\$493
Marshall Canyon Equestrian	Concession	\$3,202
Whittier Narrows Shooting Complex	Concession	\$1,124
Bonelli Equestrian	Concession	\$3,019 (1)
Bonelli Raging Waters	Concession	\$989
Chester Washington-Hathaway Golf Course	Lease	\$3,768
Diamond Bar Golf Course	Lease	\$4,189
Knollwood Golf Course	Lease	\$15,045
La Mirada Golf Course	Lease	\$8,672
Mountain Meadows Golf Course	Lease	\$15,645
Schabarum Equestrian Center	Concession	0
Cerritos Tennis	Concession	\$22
Arcadia Tennis	Concession	\$391
TOTAL		\$66,274 (2)

(1) DPR waived collection of this amount due because the rental category reviewed was determined to not be part of gross receipts. The contract has been amended to resolve the discrepancy.

(2) The waiver noted above reduced the total amount due from \$66,274 to \$63,255.